

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2020-2-E

April __, 2020

IN RE:

**Annual Review of Base Rates for Fuel
Costs for Dominion Energy South
Carolina, Inc.**

) **SOUTH CAROLINA OFFICE OF**
) **REGULATORY STAFF PROPOSED ORDER**
) **APPROVING FUEL COSTS AND**
) **REJECTING DOMINION ENERGY SOUTH**
) **CAROLINA INC'S POSITION**
) **ON THE REQUIREMENT TO UPDATE THE**
VALUE OF NET ENERGY METERING
DISTRIBUTE ENERGY RESOUC
ANNUALLY

I. INTRODUCTION

This matter comes before the Public Service Commission of South Carolina ("Commission") on the annual review of the fuel purchasing practices and policies of Dominion Energy South Carolina, Inc. ("DESC" or "Company") and for a determination as to whether any adjustment in the fuel cost recovery factors is necessary and reasonable. The procedure followed by the Commission in this proceeding is set forth in S.C. Code Ann. § 58-27-865 (2015). Additionally, and pursuant to S.C. Code Ann. § 58-39-140 (2015), the Commission must determine in this proceeding whether an increase or decrease should be granted in the fuel cost component designed to recover the incremental and avoided costs incurred by the Company to implement the Distributed Energy Resource ("DER") program previously approved by the Commission. The period under review in this Docket is January 1, 2019, through December 31, 2019 ("Review Period").

A. Notice and Interventions

By letter dated August 13, 2019, the Clerk's Office of the Commission instructed the Company to publish a Notice of Hearing and Prefile Testimony Deadlines ("Notice") in newspapers of general circulation in the area affected by the Commission's annual review of the Company's fuel purchasing practices and policies by October 8, 2019. The letter also instructed the Company to furnish the Notice to its customers by U.S. Mail, or by electronic mail to customers who have agreed to receive notice by electronic mail, by October 8, 2019. The Notice indicated the nature of the proceeding and advised all interested parties desiring participation in the scheduled proceeding of the manner and time in which to file appropriate pleadings. On September 20, 2019, the Company filed with the Commission affidavits demonstrating that the Notice was duly published in accordance with the instructions set forth in the Clerk's Office August 13, 2019 letter. On October 9, 2019, the Company filed with the Commission an affidavit demonstrating that the Notice was appropriately furnished to each affected customer.

Petitions to intervene were received from the South Carolina Energy Users Committee ("SCEUC"), the South Carolina Coastal Conservation League ("CCL"), the Southern Alliance for Clean Energy ("SACE"), the South Carolina Solar Business Alliance, Incorporated ("SBA"), Ecoplexus, Incorporated ("Ecoplexus"), and CMC Steel South Carolina ("CMC Steel"). The petitions to intervene of SCEUC, CCL, SACE, SBA, Ecoplexus, and CMC Steel, were not opposed by DESC and no other parties sought to intervene in this proceeding. The South Carolina Office of Regulatory Staff ("ORS") is automatically a party pursuant to S.C. Code Ann. § 58-4-10(B) (2019).

II. STATUTORY STANDARDS AND REQUIRED FINDINGS

S.C. Code Ann. § 58-27-865(B) (2015) states in pertinent part that,

“[u]pon conducting public hearings in accordance with law, the [C]ommission shall direct each company to place in effect in its base rate an amount designed to recover, during the succeeding twelve months, the fuel costs determined by the [C]ommission to be appropriate for that period, adjusted for the over-recovery or under-recovery from the preceding twelve-month period.”

III. HEARING

Pursuant to S.C. Code § 58-27-865 (2015) and Order No. 2020-30-H, the Commission convened a limited virtual hearing on this matter on April 9, 2020, with the Honorable Comer H. Randall presiding.¹ DESC was represented by K. Chad Burgess, Esquire and Matthew W. Gissendanner, Esquire. SCEUC was represented by Scott Elliott, Esquire. CCL and SACE were represented by J. Blanding Holman, Esquire, Kurt D. Ebersbach, Esquire, and Kate Lee, Esquire. CMC Steel, SBA, and Ecoplexus and their counsels of record were excused from attending and did not appear at the hearing. Jeffrey M. Nelson, Esquire represented ORS. In this Order, ORS, SCEUC, CCL, SACE, SBA, Ecoplexus, CMC Steel, and DESC are collectively referred to as the “Parties” or sometimes individually as a “Party.”

Through sworn verifications, DESC presented the Direct Testimonies and Exhibits of George A. Lippard, III; Henry E. Delk, Jr.; Michael D. Shinn; Marc C. Furtick; Allen W. Rooks; and Rose M. Jackson.² Through a sworn verification, DESC also presented the Rebuttal Testimony of Rose M. Jackson. Through sworn verifications, ORS presented the Direct Testimonies and Exhibits of Robert A. Lawyer; Anthony D. Briseno; Anthony Sandonato; and Michael L. Seaman-

¹ The Parties to this Docket moved for a waiver of the hearing in this matter in light of the State of Emergency due to the COVID-19 Pandemic. By Order No. 2020-30(H), the motion was denied in part and granted in part, and a limited public hearing was held virtually, with only counsel for DESC, ORS, SACE, CCL, and SCEUC participating.

² Hearing Exhibit 1 consists of the Direct Testimony Exhibits of DESC witnesses Delk (1), Shinn (1), Rooks (15), and Jackson (1).

Huynh.³ Through sworn verifications, CCL and SACE presented the Corrected Direct Testimony with Exhibits and the Surrebuttal Testimony with Exhibits of Gregory M. Lander.⁴ SCEUC, SBA, Ecoplexus, and CMC Steel did not file testimony in this Docket.

IV. REVIEW OF THE EVIDENCE AND EVIDENTIARY CONCLUSIONS

A. Avoided Costs, Variable Integration Charges and Net Energy Metering Methodology Costs

1. DESC Direct Testimony

DESC witness Rooks testified that the Company's proposed adjustment to the fuel rates does not reflect the true-up of the updated avoided costs, variable integration charges, and net energy metering ("NEM") methodology costs in Docket No. 2019-184-E with those costs remaining in effect since Docket No. 2018-2-E. Witness Rooks testified that Order No. 2019-847 in Docket No. 2019-184-E approved updated avoided costs and updated components of the Value of NEM Distributed Energy Resources ("DER") consistent with the NEM methodology approved by the Commission in Order No. 2015-194. Witness Rooks testified the Commission authorized DESC to calculate the difference between the avoided costs and the NEM methodology costs, which remained in effect under the bifurcation order in Docket No. 2019-2-E, and their updated values in Docket No. 2019-184-E as of the first billing cycle of May 2019, separately account for the difference as an incremental cost adjustment in Docket No. 2020-2-E to account for these incremental costs, and reflect this "true-up" as an adjustment to fuel rates that will go into effect with the first billing cycle of May 2020. Witness Rooks testified that at the time of filing his Direct

³ Hearing Exhibit 4 consists of the nine Direct Testimony Exhibits of witness Briseno; Hearing Exhibit 5 consists of the five Direct Testimony Exhibits of witness Seaman-Huynh; and Hearing Exhibit 6 consists of the one Direct Testimony Exhibit of witness Lawyer.

⁴ Hearing Exhibit 2 consists of witness Lander's Direct Testimony Exhibit GML - 1, Surrebuttal Exhibit GML - 2-9, and the public versions of Surrebuttal Exhibits GML - 2-1 through GML - 2-8. Hearing Exhibit 3 consists of the confidential exhibits GML - 2-1 through GML - 2-8 filed with witness Lander's Surrebuttal Testimony.

Testimony in this Docket, the Commission had yet to issue its final Order in Docket No. 2019-184-E, after reconsidering the validity of the avoided costs, NEM methodology cost, and variable integration charges originally approved in Order No. 2019-847. Witness Rooks testified it was impossible to calculate any true-up without having the final Order from this Commission.⁵ Witness Rooks testified DESC would perform the true-up once the Commission issues the final Order in Docket No. 2019-184-E. Witness Rooks offered that if necessary, the true-up of the avoided costs and NEM methodology costs will be reflected as an adjustment to fuel rates that will go into effect with the first billing cycle of May 2021. The trued-up variable integration charges will be deducted from future payments made to the solar producers with existing power purchase agreements containing the agreement to reimburse the Company for any such variable integration costs.

2. ORS Direct Testimony

ORS witness Lawyer testified the Company proposes to update the value of NEM DER and associated tariffs coincident in time with each future Avoided Cost Proceeding conducted pursuant to S.C. Code Ann. § 58-41-20 (A) of Act 62, which is to occur at least once every twenty-four months. Witness Lawyer testified that Act 62 did not amend the requirement to update the value of NEM DER annually. He further testified that Commission Order No. 2015-194, which still stands as precedent, adopted a Settlement Agreement which states “[t]he costs and benefits of net metering and the required amount of the DER NEM Incentive shall be computed and updated annually coincident in time with the Utility’s filing under the fuel clause.” Witness Lawyer further

⁵ The Order Granting in Part and Denying in Part Motions for Rehearing and Reconsideration in Docket No. 2019-184-E was issued on March 24, 2020. See Order No. 2020-244.

testified that DESC, as a signatory to that Settlement Agreement agreed to “take no action or advocate any position inconsistent with this commitment.”⁶

3. Commission Conclusions Regarding Avoided Costs, Variable Integration Charges and Net Energy Metering Methodology Costs

Based upon the evidence and testimony of the witnesses the Commission finds and concludes that DESC is bound by the language of the Settlement Agreement adopted in Order No. 2015-194; and that nothing in Act 62 alters the requirement to update the value of NEM DER annually. Additionally, DESC argued the true-up was impossible due to the lack of a final Order in Docket No. 2019-184-E, however the Order Granting in Part and Denying in Part Motions for Rehearing and Reconsideration in Docket No. 2019-184-E was issued on March 24, 2020 making that argument moot. Therefore, until otherwise dictated by this Commission or new legislation, the value of NEM DER shall continue to be updated annually in DESC’s fuel dockets.

B. Distributed Energy Resources Programs and Costs

1. DESC Direct Testimony

Witness Furtick discussed the performance of the Company’s Distributed Energy Resources Programs (“DERP”) during the Review Period, and the costs associated with offering DERP during the Review Period. These programs include offering utility-scale DER, customer-scale NEM incentives, Performance Based Incentives, Bill Credit Agreement, and the Company’s Community Solar program. Witness Furtick also discussed the Company’s DERP cost projections for the forecast period January 1, 2020, through April 30, 2021.

⁶ South Carolina Electric & Gas Company (“SCE&G”) was the original party to the Settlement Agreement approved by this Commission in Order No. 2015-194; through the merger of DESC and SCE&G in Docket No. 2017-370-E, DESC is bound by this Settlement Agreement and is subject to the same requirements and responsibilities as SCE&G agreed to.

Witness Furtick testified the balance of DERP costs at the end of the Review Period totaled an over-recovery of \$1,334,400 in avoided costs and an under-recovery of \$3,271,553 in incremental costs. For the period January 1, 2020, through April 30, 2021, the Company projects that DERP costs will include \$9,656,047 in avoided costs and \$25,820,601 in incremental costs.

Witness Rooks provided actual data on the Company's DERP avoided and incremental costs for the historical Review Period and the projected DERP costs for the period January 1, 2020, through April 30, 2021. As reflected in Exhibit AWR-7 to witness Rooks' testimony, the Company's forecasted DERP Avoided Cost Components for the period May 2020 through April 2021 should be as follows: 0.038 cents per kilowatt-hour ("kWh") for the Residential rate class; 0.037 cents per kWh for the Small General Service rate class; 0.030 cents per kWh for the Medium General Service rate class; and 0.019 cents per kWh for the Large General Service rate class. Witness Rooks testified that, as reflected in his Exhibit AWR-9, the Company's DERP Incremental Cost Components by class should be: \$1.00 per account per month for the Residential rate class; \$5.85 per account per month for the Small/Medium General Service rate class; and \$100.00 per account per month for the Large General Service rate class. Witness Rooks also sponsored the Company's proposed "Adjustment for Fuel, Variable Environmental & Avoided Capacity, and Distributed Energy Resource Program Costs" tariff.

Witness Furtick testified regarding the updates to DESC's Community Solar Program. By Order No. 2016-707, this Commission approved the Credit Rate Agreement between DESC and Clean Energy Collective, LLC ("CEC"). Per this agreement CEC is authorized to develop, build, and market up to 16 megawatts ("MW") of community solar renewable generating facilities; the individual solar panels in these facilities are available for purchase or subscription by DESC customers. Witness Furtick testified that Springfield Solar, a 6 MW facility in Orangeburg County

and Nimitz Solar, an 8 MW facility in Jasper County, entered commercial operation in June 2018; and Curie Solar, a 2 MW facility in Hampton County, entered commercial operation in February 2019. Witness Furtick testified that as of December 31, 2019, a total of 15.977 MW of solar from these three facilities has either been purchased or subscribed to, with the remaining 0.023 MW of capacity reserved for low-income customers.

Witness Furtick further testified that DESC, having met the 1% utility-scale goal, does not have any current plans to move forward with the optional 1% utility-scale investment allowed in S.C. Code Ann. § 58-39-130(D). Witness Furtick testified that DESC has filed a storage tariff to provide an opportunity for interested parties to develop and deploy battery energy storage, therefore the Company decided not to pursue a battery storage project under S.C. Code Ann. § 58-39-130(D). Witness Furtick also testified the Company decided not to move forward with the microgrid project at the Lake Murray Training Center, as its parent company, Dominion Energy, Inc., currently has other microgrid projects underway and DESC hopes to gain valuable insight from these projects.

2. ORS Direct Testimony

ORS Witness Lawyer testified that the Company's calculations regarding the DERP charges comply with Act No. 236 of 2014 and Commission Orders, and that the Company's calculations support DESC's proposed DERP charges. Witness Lawyer testified that ORS found DESC's DERP avoided and incremental costs were reasonably and prudently incurred, and that DESC has met the Customer Scale and Utility Scale goals of Act 236.

3. Commission Conclusions Regarding DER Programs and Costs

The Commission finds that the evidence presented by DESC establishes that, during the Review Period, DESC offered DERP and took appropriate steps to fulfill its DERP goals approved by the Commission in Order No. 2015-194. The Commission further finds that the Company's DERP and the associated costs are reasonable and prudent and are designed to meet DESC's statutorily designated goals as set by S.C. Code Ann. § 58-39-130.

C. Fuel Purchasing Practices, Environmental Costs, Plant Operations, and Fuel Inventory Management

1. DESC Direct Testimony

DESC witnesses testified on issues related to the prudence of DESC's fuel purchasing practices, plant operations, and fuel inventory management, and explained the regulatory atmosphere governing environmental compliance for DESC. Witness Lippard discussed the operating performance of the V.C. Summer Nuclear Station. Witness Delk reviewed the operating performance of the Company's fossil/hydro units and of South Carolina Generating Company's Williams Electric Generating Station. Witness Shinn discussed the Company's procurement and delivery activities for coal and No. 2 fuel oil for electric generation, the changes that have occurred in coal markets since the last annual fuel adjustment hearing, and how these changes affected coal procurement during the Review Period and are anticipated to affect future procurement. Witness Shinn also discussed the procurement and delivery of limestone for the wet scrubbers at Wateree and Williams Stations, the nuclear fuel purchasing processes for DESC generation, uranium prices, and the near-term outlook of coal and uranium prices. Witness Jackson provided testimony about the natural gas purchasing processes for DESC generation and discussed natural gas prices as well as the near-term outlook. Witness Rooks provided actual fuel cost data for the Review Period, and

projected fuel costs for the period January 1, 2020, through April 30, 2021; and recommended fuel rates for the period of May 2020 through April 2021. In his Exhibit AWR-5, witness Rooks provided the Company's forecasted variable environmental and avoided capacity costs and the allocation of those costs to retail customer classes for the period of May 2020 through April 2021. This Exhibit also details forecasted sales data by class, over/under recovery computations, and calculates the projected Variable Environmental & Avoided Capacity Cost Components per kWh for the same period. The Variable Environmental & Avoided Capacity Cost Components produced by these calculations are projected to recover all costs and are as follows: 0.071 cents per kWh for the Residential rate class; 0.070 cents per kWh for the Small General Service rate class; 0.057 cents per kWh for the Medium General Service rate class; and 0.036 cents per kWh for the Large General Service rate class.

2. ORS Direct Testimony

Witness Briseno's testimony presented the results of the ORS Audit Department's examination of the Company's books and records pertaining to the Fuel Adjustment Clause operation for the Review Period, and the Company's estimated calculations for the months of January 2020 through April 2020. Based on the ORS Audit Department's examination of the Company's books and records, and the Company's operation of the fuel cost recovery mechanism, Witness Briseno testified that the Company's books and records accurately reflect the fuel costs incurred by the Company in accordance with previous Commission orders and with S.C. Code Ann. § 58-27-865 (2015). Witness Sandonato's testimony presented ORS's findings resulting from its review of the Company's fuel expenses and power plant operations used in the generation of electricity during the Review Period. Based on ORS's review of the Company's operation of its generating facilities during the Review Period, Witness Sandonato testified that the Company

made reasonable efforts to maximize unit availability and minimize fuel costs during the Review Period.

3. SACE/CCL Direct Testimony

SACE/CCL witness Lander testified that the Company failed to reasonably minimize customer costs in two areas: first, that DESC failed to correctly allocate pipeline capacity fixed costs between its Gas and Electric Division; and second, that DESC signed two pipeline contracts that are highly likely to impose unnecessary costs on ratepayers. These contracts are with Transcontinental Gas Pipeline (“Transco”) for the Southeastern Trail Project and with Mountain Valley Pipeline (“MVP”). Witness Lander testified these contracts are expensive and unnecessary, and he recommended the Commission should take action to protect the Company’s customers and disallow, or at least cap, the costs associated with these contracts.

4. DESC Rebuttal Testimony

DESC witness Jackson filed Rebuttal Testimony in response to witness Lander’s recommendations and testified that the Transco and MVP Agreements are reasonable, prudent, and provide substantial reliability benefits to DESC and its customers.

5. SACE/CCL Surrebuttal Testimony

SACE/CCL witness Lander filed Surrebuttal Testimony in response to DESC witness Jackson, clarifying and reiterating his position regarding the Transco and MVP contracts. Witness Lander testified there was a very high likelihood that the contracts would have low load factors of utilization and their fixed costs would increase ratepayer costs unnecessarily.

6. Commission Conclusions Regarding Fuel Purchasing Practices, Environmental Costs, Plant Operations, and Fuel Inventory Management

Based upon the evidence and testimony of the witnesses the Commission finds and concludes that DESC's fuel purchasing practices and policies, environmental costs, plant operations, and fuel inventory management during the Review Period are reasonable and prudent.

D. Proposed Base Fuel Component

1. DESC Testimony

Witness Rooks testified that the actual base fuel over-collected balance was \$8,415,146 at December 31, 2019, and the projected over-collected balance to be \$17,310,750 at the end of April 2020. Witness Rooks also testified that a Base Fuel Component of 2.250 cents per kWh is projected to recover all base fuel costs in the forecast period in addition to returning to customers the projected over-collected balance by the end of April 2021. Witness Rooks testified that there were not any Commission authorized adjustments to base fuel costs during the actual period.

Witness Rooks testified that the Company is requesting to maintain the Variable Environmental & Avoided Capacity Costs Components for Residential customers and slightly increase for General Service Customers for the May 2020 – April 2021 time period; to increase its DER Incremental Cost Component per account per month to \$5.85 for Small/General Service customers. Witness Rooks testified when combining the Company's 2020 proposals for Fuel, Demand Side Management, and Pension cost recovery, the average monthly bill for residential customers using 1,000 kWh per month would decrease from \$124.35 to \$122.31. This \$2.04 per month decrease, or 1.64%, would become effective with the first billing cycle of May 2020.

2. ORS Testimony

Witness Seaman-Huynh testified that as of December 31, 2019, the Company had a cumulative base fuel over-recovery balance of \$8,415,146, a cumulative environmental and capacity related over-recovery balance of \$4,011,204, and a cumulative DERP avoided cost over-recovery balance of \$1,334,400. This information is reflected in ORS witness Briseno's Exhibit ADB-5, which also shows ORS's projection that the Company will have a cumulative base fuel over-recovery balance of \$17,310,750, a cumulative environmental and capacity related over-recovery balance of \$4,584,509, and a cumulative DERP avoided costs over-recovery balance of \$660,175 by April 2020. Witness Seaman-Huynh testified the Company's request for a decrease is driven by these over-recovery balances being greater than in the previous year and by decreased coal and natural gas prices and nuclear fuel expenses for the period January 1, 2020, through April 30, 2021. ORS did not make any adjustments to the fuel factors proposed by DESC. Witness Seaman-Huynh testified that DESC's proposed changes, if approved, would decrease the typical monthly bill for a residential customer on Rate 8 using 1,000 kWh from \$124.35 to approximately \$122.45, a net decrease of \$1.90 or 1.53%.

3. Commission Conclusions Regarding the Proposed Base Fuel Cost Component

As reflected in the evidence of record, no party challenged DESC's proposed Base Fuel Component. Based upon the evidence and testimony of the witnesses the Commission therefore finds and concludes that DESC's proposed Base Fuel Component is reasonable, prudent, and is consistent with S.C. Code Ann. § 58-27-865 (2015).

V. FINDINGS OF FACT AND CONCLUSIONS OF LAW

DESC's calculation of and method for accounting for avoided costs and incremental costs for NEM during the Review Period were reasonable and prudent, were consistent with the methodology approved in Commission Order No. 2015-194, and complied with S.C. Code Ann. § 58-40-10, *et seq.* (2015).

DESC has met the utility-scale and customer scale goals as prescribed by S.C. Code Ann. § 58-39-130 (2015). During the Review Period, DESC reasonably and prudently incurred costs in implementing the Company's DERP, as approved in Commission Order No. 2015-512.

As a result of DESC's efforts to provide the DERP, the over-collected balance of the DERP costs as of December 31, 2019, totaled \$1,334,400 in avoided costs and an under-collected balance of \$3,271,553 in incremental costs, which are reasonable and prudent.

DESC's proposed DER Avoided Cost Components by class are reasonable and prudent. DESC proposed monthly per account DER Incremental Cost Components by class properly allocate DESC's DERP incremental costs and are reasonable and prudent.

DESC's proposed "Adjustment for Fuel, Variable Environmental, & Avoided Capacity and Distributed Energy Resource Costs" tariff sheet, including the rates, terms, and conditions, is lawful, just, and reasonable.

DESC's fuel purchasing practices and policies, plant operations, fuel inventory management, and all other matters associated with S.C. Code Ann. § 58-27-865 (2015) were reasonable and prudent.

IT IS THEREFORE ORDERED THAT:

1. The fuel purchasing practices and policies, plant operations, fuel inventory management, and all other matters associated with S.C. Code Ann. § 58-27-865 (2015) of DESC are reasonable and prudent for the period of January 1, 2019, through December 31, 2019.

2. DESC's DERP incremental and avoided costs shall be trued up in Docket 2021-2-E in accordance with Commission Order No. 2020-244.

3. DESC's calculation and method of accounting for avoided and incremental costs for NEM during the Review Period of January 1, 2019 to December 31, 2019 were reasonable and prudent, were consistent with the methodology approved in Commission in Order No. 2015-194, and complied with S.C. Code Ann. § 58-40-10, *et seq.* (2015).

4. DESC's DERP offered during the Review Period of January 1, 2019 to December 31, 2019 were reasonable and prudent, complied with Commission Order Nos. 2015-194 and 2015-512, and achieved DESC's statutorily designated goals as set by S.C. Code Ann. § 58-39-130 (2015).

5. DESC's proposed monthly per account DERP Incremental Cost Components by class, as set forth below, properly allocate DESC's DERP incremental costs and are reasonable and prudent, and are hereby approved for use on, during, and after the first billing cycle in May 2020.

Class	Monthly Per Account DERP Incremental Cost Component
Residential	\$ 1.00
Small & Medium Gen. Svc.	\$ 5.85
Large General Service	\$ 100.00

6. The cumulative balances of DESC's DERP costs as of December 31, 2019, totaled an over-collected balance of \$1,334,400 in avoided costs and an under-collected balance of \$3,271,553 in incremental costs, which are reasonable and prudent.

7. The cumulative balance of DESC's base fuel costs as of December 31, 2019, totaled an over-recovery of \$8,415,146, which is reasonable and prudent.

8. The cumulative balance of DESC's environmental and avoided capacity costs as of December 31, 2019, totaled an over-recovery of \$4,011,206, which is reasonable and prudent.

9. DESC reasonably projected its DERP costs for the Period January 1, 2020 through April 30, 2021, which are currently reflected in Exhibit AWR-7 and Exhibit AWR-9 attached to the direct testimony of Allen Rooks.

10. DESC's historical fuel costs recovery for the period ending December 2019 are consistent with S.C. Code Ann. § 58-27-865 (2015).

11. DESC shall set its Base Fuel Component, Environmental Fuel & Avoided Capacity Components, DERP Avoided Cost Components, and Total Fuel Cost Factors consistent with the amounts set forth in the table below effective for bills rendered on and after the first billing cycle for May 2020.

Class	Base Fuel Component (¢/kWh)	Environmental Fuel & Avoided Capacity Component (¢/kWh)	DERP Avoided Cost Component (¢/kWh)	Total Fuel Costs Factor (¢/kWh)
Residential	2.250	0.071	0.038	2.359
Small General Service	2.250	0.070	0.037	2.357
Medium General Service	2.250	0.057	0.030	2.337
Large General Service	2.250	0.036	0.019	2.305
Lighting	2.250	0.000	0.000	2.250

12. The only tariff approved at this time is the Fuel and Variable Environmental Costs tariff.

13. DESC shall comply with the notice requirements set forth in S.C. Code Ann. § 58-27-865(B) (2015).

14. DESC shall continue to submit monthly reports of fuel costs and scheduled and unscheduled outages of generating units with a capacity of 100 MW or greater to the Commission and ORS as previously required. Other Parties shall also be provided a copy of the monthly reports upon written request.

15. DESC shall account monthly to the Commission and ORS for the differences between the recovery of fuel costs through base rates and the actual fuel costs experienced by booking the difference to revenues with a corresponding deferred debit or credit. ORS shall monitor the cumulative recovery amount.

16. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

Comer H. Randall, Chairman

ATTEST:

Florence P. Belser, Interim Vice Chairman

(SEAL)